

Shelby Energy Cooperative, Inc

Section DSM – 3(b)

Direct Load Control Program – Commercial

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

This rate schedule is **not available** to Shelby Energy’s members currently served under Rate 13 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy’s right to control these members’ loads at some future date.

The Direct Load Control Program is available to commercial customers in the service territory of Shelby Energy Cooperative and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of a Shelby Energy Cooperative and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented commercial property.

Program Incentives

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

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Executive Director

Shelby Energy Cooperative, Inc

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Shelby Energy Cooperative will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. Shelby Energy Cooperative will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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Executive Director

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Terms and Conditions

1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
4. If a participant decides to withdraw from the program, Shelby Energy Cooperative will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

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TITLE President & Chief Executive Officer

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By *J. D. Brown*
Executive Director